AMENDED IN ASSEMBLY MARCH 13, 2014

CALIFORNIA LEGISLATURE—2013-14 REGULAR SESSION

ASSEMBLY BILL

No. 1522

Introduced by Assembly Member Gonzalez
(Principal coauthor: Assembly Member Levine)
(Coauthors: Assembly Members Ammiano, Bonta, Campos, Dickinson,
Hernández, Lowenthal, Rendon, Stone, Ting, and Williams)
(Coauthor: Senator Hueso)

January 16, 2014

An act to amend Section 226 of, and to add Article 1.5 (commencing with Section 245) to Chapter 1 of Part 1 of Division 2 of, the Labor Code, relating to employment.

LEGISLATIVE COUNSEL'S DIGEST

AB 1522, as amended, Gonzalez. Employment: paid sick days. Existing law authorizes employers to provide their employees paid sick leave.

This bill would enact the Healthy Workplaces, Healthy Families Act of 2014 to provide that an employee, as defined, employee who works in California for 7 or more days in a calendar year is entitled to paid sick days, as defined, to be accrued at a rate of no less than one hour for every 30 hours worked. An employee would be entitled to use accrued sick days beginning on the 90th calendar day of employment. The bill would authorize an employer to limit an employee's use of paid sick days to 24 hours or 3 days in each calendar year. The bill would require employers an employer to provide paid sick days, upon the request of the employee, for diagnosis, care, or treatment of health conditions of the employee or an employee's family member, or for leave related to domestic violence or violence, sexual assault. An assault,

AB 1522 — 2 —

or stalking. The bill would prohibit an employer would be prohibited from discriminating or retaliating against an employee who requests paid sick days. The bill would require employers to satisfy specified posting and notice and recordkeeping requirements. The bill would also define terms for those purposes and make conforming changes.

This bill would require the Labor Commissioner to administer and enforce these requirements, including the promulgation of regulations, and the investigation, mitigation, and relief of violations of these requirements. This—The bill would authorize the Labor Commissioner to impose specified administrative fines for violations and would authorize an aggrieved person, the commissioner, the Attorney General, or an entity a member of which is aggrieved to bring an action to recover specified civil penalties against an offender, as well as attorney's fees, costs, and interest.

The bill would specify that it does not apply to employees covered by a collective bargaining agreement that provides for paid sick days, nor-does it lessen any other obligations of the employer to employees. This The bill would-further specify that it does not apply to employees in the construction industry covered by a collective bargaining agreement if the agreement contains specified terms and expressly waives the requirements of this article the bill in clear and unambiguous terms. However, the The bill would-specify that it applies apply to certain public-authorities, authorities established to deliver in-home supportive services, except where a collective bargaining agreement provides for an incremental wage increase sufficient to satisfy the bill's requirements for accrual of sick days.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

1

The people of the State of California do enact as follows:

- SECTION 1. The Legislature finds and declares the following:
- 2 (a) Nearly every worker in the State of California will at some 3 time during the year need some time off from work to take care 4 of his or her own health or the health of family members.
- (b) Many workers in California do not have any paid sick days,
 or have an inadequate number of paid sick days, to care for their
 own health or the health of family members.
- 8 (c) Low-income workers are significantly less likely to have paid sick time than other workers.

-3- AB 1522

(d) Providing workers time off to attend to their own health care and the health care of family members will ensure a healthier and more productive workforce in California.

- (e) Paid sick days will have an enormously positive impact on the public health of Californians by allowing sick workers paid time off to care for themselves when ill, thus lessening their recovery time and reducing the likelihood of spreading illness to other members of the workforce.
- (f) Paid sick days will allow parents to provide personal care for their sick children. Parental care ensures children's speedy recovery, prevents more serious illnesses, and improves children's overall mental and physical health.
- (g) Providing paid sick days is affordable for employers and good for business.
- (h) Employers who provide paid sick days enjoy greater employee retention and reduce the likelihood of employees coming to work sick. Studies have shown that costs of decreased productivity caused by sick workers exceed the costs of employee absenteeism.
- (i) Many adults have significant elder care responsibilities requiring them to take time off from work or to work reduced hours.
- (j) Employees frequently lose their jobs or are disciplined for taking sick days to care for sick family members or to recover from their own illnesses.
- (k) Workers whose jobs involve significant contact with the public, such as service workers and restaurant workers, are very unlikely to have paid sick days. Often, these workers have no choice but to come to work when they are ill, thereby spreading illness to coworkers and customers.
- (1) Domestic violence and sexual assault affect many persons without regard to age, race, national origin, sexual orientation, or socioeconomic status.
- (m) Domestic violence is a crime that has a devastating effect on families, communities, and the workplace. It impacts productivity, effectiveness, absenteeism, and employee turnover in the workplace. The National Crime Survey estimates that 175,000 days of work each year are missed due to domestic violence.

AB 1522 —4—

 (n) Survivors of domestic violence and sexual assault may be vulnerable at work when trying to end an abusive relationship because the workplace may be the only place where the perpetrator knows to contact the victim. Studies show that up to one-half of domestic violence victims experience job loss. Forty percent reported on-the-job harassment. Nearly 50 percent of sexual assault survivors lose their jobs or are forced to quit in the aftermath of the assaults.

- (o) Affording survivors of domestic violence and sexual assault paid sick days is vital to their independence and recovery.
- SEC. 2. In enacting this act, it is the intent of the Legislature to do the following:
- (a) Ensure that workers in California can address their own health needs and the health needs of their families by requiring employers to provide a minimum level of paid sick days including time for family care.
- (b) Decrease public and private health care costs in California by enabling workers to seek early and routine medical care for themselves and their family members and to address domestic violence or sexual assault.
- (c) Protect employees in California from losing their jobs while they use sick days to care for themselves or their families.
- (d) Provide economic security to employees in California who take time off from work for reasons related to domestic violence or sexual assault.
- (e) Safeguard the welfare, health, safety, and prosperity of the people of and visitors to California.
 - SEC. 3. Section 226 of the Labor Code is amended to read:
- 226. (a) An employer shall, semimonthly or at the time of each payment of wages, furnish to each employee, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, unless the employee's compensation is solely based on a salary and the employee is exempt from payment of overtime under subdivision (a) of Section 515 or an applicable order of the Industrial Welfare Commission, (3) the number of piece-rate units earned and the applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written

5 AB 1522

orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, (9) paid sick leave accrued and used pursuant to Article 1.5 (commencing with Section 245), and (10) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment. The deductions made from payment of wages shall be recorded in ink or other indelible form, properly dated, showing the month, day, and year, and a copy of the statement and the record of the deductions shall be kept on file by the employer for at least three years at the place of employment or at a central location within the State of California. For purposes of this subdivision, "copy" includes a duplicate of the itemized statement provided to an employee or a computer-generated record that accurately shows all of the information required by this subdivision.

- (b) An employer that is required by this code or a regulation adopted pursuant to this code to keep the information required by subdivision (a) shall afford current and former employees the right to inspect or copy records pertaining to their employment, upon reasonable request to the employer. The employer may take reasonable steps to ensure the identity of a current or former employee. If the employer provides copies of the records, the actual cost of reproduction may be charged to the current or former employee.
- (c) An employer who receives a written or oral request to inspect or copy records pursuant to subdivision (b) pertaining to a current or former employee shall comply with the request as soon as practicable, but no later than 21 calendar days from the date of the request. A violation of this subdivision is an infraction. Impossibility of performance, not caused by or a result of a violation of law, shall be an affirmative defense for an employer

AB 1522 -6-

in any action alleging a violation of this subdivision. An employer
may designate the person to whom a request is made under this
subdivision.

- (d) This section does not apply to an employer of a person employed by the owner or occupant of a residential dwelling whose duties are incidental to the ownership, maintenance, or use of the dwelling, including the care and supervision of children, or whose duties are personal and not in the course of the trade, business, profession, or occupation of the owner or occupant.
- (e) (1) An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees.
- (2) (A) An employee is deemed to suffer injury for purposes of this subdivision if the employer fails to provide a wage statement.
- (B) An employee is deemed to suffer injury for purposes of this subdivision if the employer fails to provide accurate and complete information as required by any one or more of items (1) to (10), inclusive, of subdivision (a) and the employee cannot promptly and easily determine from the wage statement alone one or more of the following:
- (i) The amount of the gross wages or net wages paid to the employee during the pay period or any of the other information required to be provided on the itemized wage statement pursuant to items (2) to (4), inclusive, (6), (9), and (10) of subdivision (a).
- (ii) Which deductions the employer made from gross wages to determine the net wages paid to the employee during the pay period. Nothing in this subdivision alters the ability of the employer to aggregate deductions consistent with the requirements of item (4) of subdivision (a).
- (iii) The name and address of the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer during the pay period.

7 AB 1522

(iv) The name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number.

- (C) For purposes of this paragraph, "promptly and easily determine" means a reasonable person would be able to readily ascertain the information without reference to other documents or information.
- (3) For purposes of this subdivision, a "knowing and intentional failure" does not include an isolated and unintentional payroll error due to a clerical or inadvertent mistake. In reviewing for compliance with this section, the factfinder may consider as a relevant factor whether the employer, prior to an alleged violation, has adopted and is in compliance with a set of policies, procedures, and practices that fully comply with this section.
- (f) A failure by an employer to permit a current or former employee to inspect or copy records within the time set forth in subdivision (c) entitles the current or former employee or the Labor Commissioner to recover a seven-hundred-fifty-dollar (\$750) penalty from the employer.
- (g) The listing by an employer of the name and address of the legal entity that secured the services of the employer in the itemized statement required by subdivision (a) shall not create any liability on the part of that legal entity.
- (h) An employee may also bring an action for injunctive relief to ensure compliance with this section, and is entitled to an award of costs and reasonable attorney's fees.
- (i) This section does not apply to the state, to a city, county, city and county, district, or to any other governmental entity, except that if the state or a city, county, city and county, district, or other governmental entity furnishes its employees with a check, draft, or voucher paying the employee's wages, the state or a city, county, city and county, district, or other governmental entity shall use no more than the last four digits of the employee's social security number or shall use an employee identification number other than the social security number on the itemized statement provided with the check, draft, or voucher.
- SEC. 4. Article 1.5 (commencing with Section 245) is added to Chapter 1 of Part 1 of Division 2 of the Labor Code, to read:

AB 1522 -8-

Article 1.5. Paid Sick Days

1 2 3

4

5

6 7

8

10

11 12

13

14 15

16 17

18

19

20 21

22

23

24

2526

27

28

29

30

31

32

33

34

35

36

37

38

39

- 245. This article shall be known and may be cited as the Healthy Workplaces, Healthy Families Act of 2014.
- 245.5. For the purposes of this article the following terms have the following meanings: As used in this article:
 - (a) "Employee" does not include the following:
- (1) An employee covered by a valid collective bargaining agreement if the agreement expressly provides for the wages, hours of work, and working conditions of employees, and expressly provides for paid sick days or a paid leave or paid time off policy that permits the use of sick days for those employees, final and binding arbitration of disputes concerning the application of its paid sick days provisions, premium wage rates for all overtime hours worked, and regular hourly rate of pay of not less than 30 percent more than the state minimum wage rate.
- (2) An employee in the construction industry covered by a valid collective bargaining agreement if the agreement expressly provides for the wages, hours of work, and working conditions of employees, premium wage rates for all overtime hours worked, and regular hourly pay of not less than 30 percent more than the state minimum wage rate, and the agreement either (A) was entered into before January 1, 2015, or (B) expressly waives the requirements of this article in clear and unambiguous terms. For purposes of this subparagraph, "employee in the construction industry" means an employee performing onsite work associated with construction, including work involving alteration, demolition, building, excavation, remodeling, maintenance, improvement, repair work, and any other work as described by Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, and other similar or related occupations or trades.
- (b) "Employer means any person employing another under any appointment or contract of hire and includes the state, political subdivisions of the state, and municipalities.

(b)

- (c) "Family member" means any of the following:
- (1) A child, which for purposes of this article means a biological, adopted, or foster child, stepchild, legal ward, or a child to whom

-9- AB 1522

the employee stands in loco parentis. This definition of a child is applicable regardless of age or dependency status.

- (2) A biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child.
- (3) A spouse.
- 8 (4) A registered domestic partner.
 - (5) A grandparent.
- 10 (6) A grandchild.
- 11 (7) A sibling.
- 12 (e)

- (d) "Health care provider" has the same meaning as defined in paragraph (6) of subdivision (c) of Section 12945.2 of the Government Code.
 - (d)
- (e) "Paid sick days" means time that is compensated at the same wage as the employee normally earns during regular work hours and is provided by an employer to an employee for the purposes described in Section 246.5.
- (e) "Small business" means an employer who employs 10 or fewer employees during 20 or more calendar workweeks in the current or preceding calendar year.
- 246. (a) An employee who works in California for seven or more days in a calendar year is entitled to paid sick days as specified in this section.
- (b) (1) An employee shall accrue paid sick days at the rate of not less than one hour per every 30 hours worked, beginning at the commencement of employment or the operative date of this article, whichever is first. later.
- (2) An employee who is exempt from overtime requirements as an administrative, executive, or professional employee under a wage order of the Industrial Welfare Commission is deemed to work 40 hours per workweek for the purposes of this section, unless the employee's normal workweek is less than 40 hours, in which case the employee—will shall accrue paid sick days based upon that normal workweek.
- (c) An employee shall be entitled to use accrued paid sick days beginning on the 90th calendar day of employment, after which day the employee may use paid sick days as they are accrued.

AB 1522 — 10 —

(d) Accrued paid sick days shall carry over to the following calendar year. However, an employer may limit an employee's use of paid sick days to 24 hours or three days in each calendar year.

- (e) An employer is not required to provide additional paid sick days pursuant to this section if the employer has a paid leave policy or paid time off policy and the employer makes available an amount of leave that satisfies the accrual requirements of this section and that may be used for the same purposes and under the same conditions as specified in this section.
- (f) (1) Except as specified in paragraph (2), an employer is not required to provide compensation to an employee for accrued, unused paid sick days upon termination, resignation, retirement, or other separation from employment.
- (2) If an employee separates from an employer and is rehired by the employer within one year, previously accrued and unused paid sick days shall be reinstated. The employee shall be entitled to use those previously accrued and unused paid sick days and to accrue additional paid sick days upon rehiring.
- (g) An employer may lend paid sick days to an employee in advance of accrual, at the employer's discretion and with proper documentation.
- 246.5. (a) Upon the oral or written request of an employee, an employer shall provide paid sick days for the following purposes:
- (1) Diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee or an employee's family member.
- (2) For an employee who is a victim of domestic violence or violence, sexual assault, or stalking, the purposes described in subdivision (c) of Section 230 and subdivision (a) of Section 230.1.
- (b) An employer shall not require as a condition of using paid sick days that the employee search for or find a replacement worker to cover the days during which the employee uses paid sick days.
- (c) (1) An employer shall not deny an employee the right to use sick days, discharge, threaten to discharge, demote, suspend, or in any manner discriminate against an employee for using sick days, attempting to exercise the right to use sick days, filing a complaint with the department or in a court alleging a violation of this article, cooperating in an investigation or prosecution of an

-11- AB 1522

alleged violation of this article, or opposing any policy or practice or act that is prohibited by this article.

- (2) There shall be a rebuttable presumption of unlawful retaliation if an employer denies an employee the right to use sick days, discharges, threatens to discharge, demotes, suspends, or in any manner discriminates against an employee within 90 days of any of the following:
- (A) The filing of a complaint by the employee with the Labor Commissioner or in a court alleging a violation of this article.
- (B) The cooperation of an employee with an investigation or prosecution of an alleged violation of this article.
- (C) Opposition by the employee to a policy, practice, or act that is prohibited by this article.
- 247. (a) An employer shall give each employee written notice of the requirements of this article in English, Spanish, Chinese, and any other language spoken by at least 5 percent of the employees. The written notice shall state the following:
- (1) That an employee is entitled to accrue, request, and use paid sick days.
 - (2) The amount of paid sick days provided for by this article.
 - (3) The terms of use of paid sick days.

- (4) That retaliation or discrimination against an employee who requests paid sick days or uses paid sick days, or both, is prohibited and that an employee has the right under this article to file a complaint or bring a civil action against an employer who retaliates or discriminates against the employee.
- (b) In each workplace of the employer, the employer shall display a poster in a conspicuous place containing all the information specified in subdivision (a). The Labor Commissioner shall create a poster containing this information and make it available to employers.
- (c) An employer who willfully violates the notice and posting requirements of this section is subject to a civil penalty of not more than one hundred dollars (\$100) per each offense.
- 247.5. An employer shall keep for at least five years records documenting the hours worked and paid sick days accrued and used by an employee. An employer shall allow the Labor Commissioner access to these records with appropriate notice and at a mutually agreeable time to monitor compliance with this article. An employer shall make these records available to an

AB 1522 —12—

employee pursuant to Section 226. If an employer does not maintain adequate records pursuant to this section, it shall be presumed that the employee is entitled to the maximum number of hours accruable under this article, unless the employer can show otherwise by clear and convincing evidence.

- 248. The Labor Commissioner—is authorized and directed to shall coordinate implementation and enforcement of this article and—to promulgate guidelines and regulations for those purposes.
- 248.5. (a) The Labor Commissioner is authorized and directed to shall enforce this article, including investigating an alleged violation, and ordering appropriate temporary relief to mitigate the violation or to maintain the status quo pending the completion of a full investigation or hearing.
- (b) If the Labor Commissioner, after a hearing that contains adequate safeguards to ensure that the parties are afforded due process, determines that a violation of this article has occurred, he or she may order any appropriate relief, including reinstatement, backpay, the payment of sick days unlawfully withheld, and the payment of an additional sum in the form of an administrative penalty to an employee or other person whose rights under this article were violated. If paid sick days were unlawfully withheld, the dollar amount of paid sick days withheld from the employee multiplied by three, or two hundred fifty dollars (\$250), whichever amount is greater, shall be included in the administrative penalty. In addition, if a violation of this article results in other harm to the employee or person, such as discharge from employment, or otherwise results in a violation of the rights of the employee or person, the administrative penalty shall include a sum of fifty dollars (\$50) for each day or portion thereof that the violation occurred or continued.
- (c) Where prompt compliance by an employer is not forthcoming, the Labor Commissioner may take any appropriate enforcement action to secure compliance, including the filing of a civil action. In compensation to the state for the costs of investigating and remedying the violation, the commissioner may order the violating employer to pay to the state a sum of not more than fifty dollars (\$50) for each day or portion of a day a violation occurs or continues for each employee or other person whose rights under this article were violated. These funds shall be allocated to

-13- AB 1522

the Labor Commissioner to offset the costs of implementing and enforcing this article.

1

2

3 4

5

6

7

8

10

11

12

13

14 15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36

37

38

39

- (d) An employee or other person may report to the Labor Commissioner a suspected violation of this article. The commissioner shall encourage reporting pursuant to this subdivision by keeping confidential, to the maximum extent permitted by applicable law, the name and other identifying information of the employee or person reporting the violation. However, the commissioner may disclose that person's name and identifying information as necessary to enforce this article or for other appropriate purposes, upon the authorization of that person.
- (e) The Labor Commissioner, the Attorney General, a person aggrieved by a violation of this article, or an entity a member of which is aggrieved by a violation of this article may bring a civil action in a court of competent jurisdiction against the employer or other person violating this article and, upon prevailing, shall be entitled to such legal or equitable relief as may be appropriate to remedy the violation, including reinstatement, backpay, the payment of sick days unlawfully withheld, the payment of an additional sum as liquidated damages in the amount of fifty dollars (\$50) to each employee or person whose rights under this article were violated for each day or portion thereof that the violation occurred or continued, plus, if the employer has unlawfully withheld paid sick days to an employee, the dollar amount of paid sick days withheld from the employee multiplied by three; or two hundred fifty dollars (\$250), whichever amount is greater; and reinstatement in employment or injunctive relief; and further shall be awarded reasonable attorney's fees and costs, provided, however, that any person or entity enforcing this article on behalf of the public as provided for under applicable state law shall, upon prevailing, be entitled only to equitable, injunctive, or restitutionary relief, and reasonable attorney's fees and costs.
- (f) In an administrative or civil action brought under this article, the Labor Commissioner or court, as the case may be, shall award interest on all amounts due and unpaid at the rate of interest specified in subdivision (b) of Section 3289 of the Civil Code.
- (g) The remedies, penalties, and procedures provided under this article are cumulative.
- 249. (a) This article does not limit or affect any laws guaranteeing the privacy of health information, or information

AB 1522 —14—

related to domestic violence or sexual assault, regarding an employee or employee's family member. That information shall be treated as confidential and shall not be disclosed to any person except to the affected employee, or as required by law.

- (b) This article shall not be construed to discourage or prohibit an employer from the adoption or retention of a paid sick days policy more generous than the one required herein.
- (c) This article does not lessen the obligation of an employer to comply with a contract, collective bargaining agreement, employment benefit plan, or other agreement providing more generous sick days to an employee than required herein.
- (d) This article establishes minimum requirements pertaining to paid sick days and does not preempt, limit, or otherwise affect the applicability of any other law, regulation, requirement, policy, or standard that provides for greater accrual or use by employees of sick days, whether paid or unpaid, or that extends other protections to an employee.
- 249.5. (a) A public authority established under Section 12301.6 of the Welfare and Institutions Code shall be required to meet the requirements of comply with this article for individuals who perform domestic services comprising in-home supportive services under Article 7 (commencing with Section 12300) of Chapter 3 of Part 3 of Division 9 of the Welfare and Institutions Code.
- (b) A public authority may satisfy-the requirements of this article by entering into a collective bargaining agreement that provides an incremental hourly wage adjustment in an amount sufficient to satisfy the accrual requirements of Section 246.